

# Consolidated Statement of Cash Flows

for the year ended March 31, 2022

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Operating activities</b>			
<b>Profit before tax</b>		<b>24,585</b>	<b>18,602</b>
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation/ amortisation of property, plant and equipment, intangibles and right-of-use assets	29	3,288	2,274
(Gain)/ loss on disposal of property, plant and equipment, net	27	(10)	-
Share-based payment expense	28	300	297
Gain on investment carried at fair value through profit and loss	27	(368)	(184)
Gain on sale of investment carried at fair value through profit and loss	27	(1,377)	(671)
Interest income	27	(636)	(838)
Fair value loss on contingent consideration	32	609	-
Gain on liquidation of subsidiary	27	-	(82)
Net unrealised foreign exchange loss	27	404	66
Rent concession	27	(323)	(302)
Impairment loss on financial assets	31	189	1,021
Finance costs	30	995	649
Operating cash flow before working capital changes		<b>27,656</b>	<b>20,832</b>
Movements in working capital:			
Increase in trade receivables		(4,526)	(511)
Decrease in loans		10	50
Increase in non-financial assets		(1,610)	(279)
Increase in financial assets		(3,078)	(1,429)
Increase/ (decrease) in trade payables		1,489	(644)
Increase/ (decrease) in financial liabilities		1,004	(1,684)
Increase in provisions		58	516
Increase/ (decrease) in contract liabilities		660	(43)
Increase in other non-financial liabilities		496	1,109
		22,159	17,917
Income tax paid, net of refunds		(5,347)	(3,600)
<b>Net cash flows from operating activities</b>	<b>(A)</b>	<b>16,812</b>	<b>14,317</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	3	(67)	(78)
Purchase of intangible assets	4	(346)	(19)
Proceeds from sale of property, plant and equipment		10	-
Proceeds from subleasing the premises		-	7
Investment in equity shares of TECH4TH Solutions Inc.		(762)	-
Investment in bank deposit, net		(3,020)	6,931
Acquisition of subsidiary		-	(6,025)
Proceeds from sale of mutual funds		34,542	39,313
Purchase of mutual funds		(40,049)	(69,269)
Interest received		84	777
<b>Net cash flows used in investing activities</b>	<b>(A)</b>	<b>(9,608)</b>	<b>(28,363)</b>

## Consolidated Statement of Cash Flows (Contd.)

(All amounts in ₹ Lacs, unless otherwise stated)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Financing activities</b>			
Repayment of long-term borrowings		(2,053)	(1,256)
Proceeds from long-term borrowings		-	5,981
Proceeds / (Repayment) of short-term borrowings (net)		4,012	4,213
Security deposits given		-	(300)
Payment of principal portion of lease liabilities		(1,702)	(1,661)
Payment of interest portion of lease liabilities		(487)	(328)
Payment of contingent consideration		(1,861)	-
Proceeds from issue of Equity share capital (net of transaction costs)		-	10,544
Dividend paid		(6,830)	-
Proceeds from exercise of share options		171	72
Interest paid		(328)	(281)
<b>Net cash flows from/ (used) in financing activities</b>	<b>(C)</b>	<b>(9,078)</b>	<b>16,984</b>
Net increase in cash and cash equivalents	<b>[(A)+(B)+(C)]</b>	(1,874)	2,938
Net foreign exchange difference		20	(6)
Cash and cash equivalents at the beginning of the year		8,583	4,353
Cash acquired on acquisition of subsidiary		-	1,298
<b>Cash and cash equivalents at the end of the year</b>		<b>6,729</b>	<b>8,583</b>
<b>Components of cash and cash equivalents</b>			
	13		
Balance with banks			
- on current account		5,649	4,179
- in EEFC accounts		1,080	2,029
Deposits with original maturity of less than three months		-	2,375
<b>Total cash and cash equivalents</b>		<b>6,729</b>	<b>8,583</b>
<b>Non-cash investing activities:</b>			
Acquisition of subsidiary		-	3,695
Acquisition of Right-of-use assets	5	5,487	1,075
Refer note 19 and 20 for changes in liabilities arising from financing activities and for non-cash financing activities.			
<b>Summary of significant accounting policies</b>	2		

The notes referred to above form an integral part of the Consolidated Financial Statements.

As per our report of even date  
for **Deloitte Haskins and Sells**  
Chartered Accountants  
ICAI Firm's Registration Number: 008072S

for and on behalf of the Board of Directors:  
**Happiest Minds Technologies Limited**  
CIN : L72900KA2011PLC057931

### Vikas Bagaria

Partner  
Membership no.: 060408  
Place: Bengaluru, India  
Date: May 5, 2022

### Ashok Soota

Executive Chairman  
DIN : 00145962  
Place: Bengaluru, India  
Date: May 5, 2022

### Venkatraman Narayanan

Managing Director & Chief  
Financial Officer  
DIN : 01856347  
Place: Bengaluru, India  
Date: May 5, 2022

### Praveen Darshankar

Company Secretary &  
Compliance Officer  
FCS No.: F6706  
Place: Bengaluru, India  
Date: May 5, 2022